

## **IC 23-16-8**

### **Chapter 8. Assignment of Partnership Interests**

#### **IC 23-16-8-1**

##### **Nature of partnership interest**

Sec. 1. A partnership interest is personal property. A partner has no interest in specific limited partnership property.

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-8-2**

##### **Assignment of partnership interest**

Sec. 2. Unless otherwise provided in the partnership agreement:

- (1) a partnership interest is assignable in whole or in part;
- (2) an assignment of a partnership interest does not dissolve a limited partnership or entitle the assignee to become a partner or to exercise any rights or powers of a partner;
- (3) an assignment entitles the assignee to share in the profits and losses, to receive the distribution or distributions, and to receive the allocation of income, gain, loss, deduction, or credit or similar item to which the assignor was entitled, to the extent assigned; and
- (4) a partner ceases to be a partner and to have the power to exercise any rights or powers of a partner upon assignment of all of the partner's partnership interest.

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-8-3**

##### **Rights of creditor**

Sec. 3. On application to a court by any judgment creditor of a partner, the court may charge the partnership interest of the partner with payment of the unsatisfied amount of the judgment, with interest. To the extent so charged, the judgment creditor has only the rights of an assignee of the partnership interest. This article does not deprive any partner of the benefit of any exemption laws applicable to the partner's partnership interest.

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-8-4**

##### **Right of assignee to become limited partner**

Sec. 4. (a) An assignee of a partnership interest, including an assignee of a general partner, may become a limited partner, if and to the extent that:

- (1) the partnership agreement so provides; or
- (2) all other partners consent in writing.

(b) An assignee who has become a limited partner has, to the extent assigned, the rights and powers, and is subject to the restrictions and liabilities, of a limited partner under the partnership agreement and this article. An assignee who becomes a limited partner also is liable for the obligations of the assignor to make contributions as provided in IC 23-16-6-2. However, the assignee is

not obligated for liabilities that were unknown to the assignee at the time the assignee became a limited partner and that could not be ascertained from the partnership agreement. Additionally, the assignee is not liable for any accrued liabilities of the assignor at the time of such assignment unless the assignee specifically assumes such liabilities.

(c) If an assignee of a partnership interest becomes a limited partner, the assignor is not released from the assignor's liabilities to the limited partnership under IC 23-16-3-8, IC 23-16-6, and IC 23-16-7, unless such liabilities are specifically assumed by the assignee under subsection (b).

*As added by P.L.147-1988, SEC.1.*

#### **IC 23-16-8-5**

##### **Power of estate of deceased or incompetent partner**

Sec. 5. (a) If a partner who is an individual dies or a court adjudges the partner to be mentally incompetent, the partner's personal representative, guardian, conservator, or other legal representative may exercise all of the partner's rights for the purpose of settling the partner's estate or administering the partner's property, including any power the partner had to give an assignee the right to become a limited partner.

(b) If a partner is a corporation, trust, or other entity and is dissolved or terminated, the powers of that partner may be exercised by the partner's legal representative or successor.

*As added by P.L.147-1988, SEC.1. Amended by P.L.33-1989, SEC.22.*